Case Summary

Complaint against the Housing Department for ineffective supervision of a property services company which resulted in prolonged occupation of venues in a public housing estate

Complaint

A community organisation (Organisation A) complained against the Housing Department (HD) for ineffective supervision of the property services company (PSC) of a public housing estate. As a result, the PSC unfairly allowed two local personalities to use several public venues in the estate for a prolonged period, thereby depriving other organisations of the opportunity to use those venues.

Sequence of events

2. The PSC was appointed by HD in mid-2002 to manage the said public housing estate and one of its duties was to handle the booking of all open areas. In late July 2002, two local personalities applied to the PSC for use of five of the nine venues in the estate for conducting a residents' opinion survey for seven months. The PSC approved the application without prior consultation with HD.

3. On learning that the two local personalities' application had been approved, Organisation A lodged a complaint with HD and the PSC in late August. The PSC advised the organisation to use other venues in the estate. HD subsequently asked the PSC to draw up guidance notes on the booking of venues for distribution to local organisations. The said Guidance Notes provided that the PSC would only process those applications submitted on or before a fixed day each month for use of venues in the following month.

4. Although the above provision was not applicable to those applications already approved, HD took immediate action and reached a consensus with the two local personalities in early September 2002. If any other organisations applied for use of the venues in question, it would be settled by

negotiations or drawing lots, subject to the conditions in the Guidance Notes being met.

5. Organisation A applied to the PSC three times for use of the venues in November and December 2002. However, as the three applications did not comply with the provision, i.e. they were not submitted on or before the fixed day of the month, they were all rejected.

Our comments

6. HD accepted that the PSC did not handle the case properly. It had not considered fully the needs of other people nor consulted HD before permitting the local personalities to block book more than half of the venues for seven consecutive months. We agreed with HD on this point.

7. HD pointed out that the PSC, in assessing applications for the booking of venues, had to follow instructions issued by the Department for fundraising activities of non-profit-making organisations. As for the assessment of applications by other organisations to book venues for various other functions, HD said it had never drawn up any specific guidelines, since it considered the processing of venue-booking applications as part of the “daily routines” of estate management.

8. The Department further stated that PSCs should possess general knowledge on estate management to ensure reasonable allocation of venues without HD’s prior instructions. If HD issued guidelines on such matters, it would only hamper the full play of management expertise by the PSC.

9. This Office does not agree. While estate management might have been contracted out, HD still had overall responsibility to ensure that all its public resources were fairly and reasonably allocated to users. The Department should have formulated guidelines in advance to ensure that PSCs act according to its general policy.

10. This Office agrees that one of the advantages of outsourcing services is to draw on the management expertise of private organisations. However, we do not think that setting policy guidelines on certain matters will hamper such

“private” initiative. This Office considers that HD should either formulate the guidelines itself or instruct the PSC to draft them based on its experience and the local situation for the Department’s approval. Regardless of which way the guidelines are to be formulated, HD will still be fully utilising the expertise of the PSC.

11. This Office notes that some of the PSC’s staff are former employees. Nevertheless, as the allocation of public resources involves considerable public interests, HD should not leave it entirely to the PSC’s discretion. Actually, HD had never formulated any guidelines for its staff on applications for booking of venues for non-fundraising activities. Therefore, it provided little help to the PSC’s staff in their judgment on the incident even though some of them were former employees of HD.

Conclusions and recommendations

12. For better management, this Office considers that HD should have formulated guidelines in advance on the processing of applications for booking of public venues in public housing estates to ensure that the PSC (and HD’s staff) could handle the applications properly. In this respect, HD had failed to fulfill its supervisory function and could not absolve itself of the responsibility for this incident. The Ombudsman considers this complaint **substantiated**.

13. HD said it had learned a lesson from the incident. Upon completion of a comprehensive review, the Department issued guidelines on the criteria and procedures for processing applications for the booking of venues to all PSCs concerned in February 2003.

14. This Office recommends that HD regularly inspect all PSCs to ensure the implementation of the criteria and procedures for processing these applications. Furthermore, HD should apologise to the complainant.

15. HD has accepted our recommendations.

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